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MORTGAGE MARKET TRENDS

Prepared by MBA's Economics Department

Early in the year, MBA economists forecasted that interest rates would rise through the spring after bottoming out in the first quarter. That forecast was based principally on the assumption that the welcome decline in interest rates during the second half of 1984, combined with the Federal Reserve Board's (Fed) move towards a more expansionary monetary policy, would lead to an acceleration in economic growth early this year. In our view, this anticipated pick up in economic activity would have fueled increases in private sector loan demand, which together with the massive borrowing needs of the federal government and an expected slowdown in foreign capital inflows, would have rapidly put upward pressure on interest rates. Indeed, interest rates did reverse their descent in late January 1985, as business loan demand accelerated sharply in the face of strong consumer spending. Between the last week in January and the second week in March, interest rates on three-month Treasury bills increased by more than 100 basis points, and yields on long-term Treasury securities rose by about 75 basis points. Accordingly, rates on conventional fixed-rate mortgages also edged up by some 25 basis points after falling by 170 basis points over the previous six months.

However, contrary to previous expectations, this deterioration in money rates was, fortunately, short-lived. It is now clear that the pace of economic activity in the first quarter was not strong enough to produce the escalation in interest rates that we had expected would last through the month of June 1985. To be sure, the annual growth rate in real GNP of 1.3 percent in the first quarter was far short of our expectations, as business investment expenditures remained flat and the trade sector deteriorated sharply under the weight of the strong dollar. As a result, the Fed's widely-anticipated move towards a more restrictive monetary policy has not taken place.

It now appears that the Fed's concerns over the economy's underlying strength have temporarily preempted fears of rising inflation. Further, the recent S&L crisis in Ohio has forced the Fed to maintain reserve growth at high enough levels to ensure that the financial system provides the necessary liquidity. Consequently, until the economy picks up steam and signs of strains on the financial system recede, the Fed will probably continue to lean towards a more accommodative monetary policy posture.

This combination of slow economic growth and a stimulative monetary policy bodes well for the near-term housing industry outlook. Interest rates on 30-year, fixed-rate mortgages (FRMs) now will probably remain just below 13.0 percent throughout the spring, and rates on adjustable rate mortgages (ARMs) will likely stay in the range of 11 to 11.5 percent. These mortgage rates are roughly 75 basis points lower than the rates we had previously anticipated would prevail in this quarter.

This interest rate scenario should support a monthly average of 1.75 to 1.80 million housing starts through midsummer, while fostering an annualized monthly average of 640,000 new home sales, and 3 million existing home sales. In such an environment, mortgage loan origination activity should be fairly strong, with fixed-rate mortgages (FRMs) accounting for the bulk of the volume as long as the rates on those instruments remain near 13 percent.

In short, the improvements in housing activity that we previously thought would be limited to the first quarter, are now likely to carry over into the current quarter. The interest sensitive sectors of the economy, such as housing, benefit the most from periods of slower growth and the accompanying moderate interest rates, as long as employment generation is substantial and inflation is subdued. Fortunately, both of the latter conditions exist at this time, giving us good reason to believe that the housing outlook over the next few months is fairly upbeat. Of course, should the economy's rate of expansion pick up sharply in this quarter, interest rates could very well resume an upward march this summer. However, it seems improbable that such an outlook is in the cards, for the trade sector is likely to restrain overall economic growth throughout most of the year.

Edison R. Zayas
Economist
April 18, 1985

MORTGAGE MARKET TRENDS—MAY 1985

RESIDENTIAL STRUCTURES, BY UNIT TYPE
(Units in thousands)

Year and Month	PERMITS 17,000 ISSUING PLACES: Actual			PERMITS 17,000 ISSUING PLACES: Seasonally Adjusted Annual Rate			HOUSING STARTS: Actual			HOUSING STARTS: Seasonally Adjusted Annual Rate		
	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
1983												
NOV	124	79	45	1,649	1,060	589	136	93	43	1,748	1,221	527
DEC	108	65	43	1,602	1,056	546	107	69	38	1,704	1,163	541
1984												
JAN	114	70	44	1,871	1,212	659	109	75	34	1,933	1,373	560
FEB	129	82	47	1,969	1,311	658	130	89	41	2,208	1,582	626
MAR	150	103	47	1,765	1,165	600	138	99	39	1,700	1,209	491
APR	161	107	54	1,802	1,143	659	173	121	52	1,949	1,323	626
MAY	169	113	56	1,774	1,107	667	181	127	54	1,787	1,236	551
JUN	171	104	67	1,819	1,096	723	184	121	63	1,837	1,185	652
JUL	142	92	50	1,590	997	593	162	110	52	1,730	1,112	618
AUG	142	93	49	1,508	967	541	147	102	45	1,590	1,076	514
SEP	131	82	49	1,481	994	487	148	100	48	1,669	1,116	553
OCT	137	88	49	1,436	933	503	152	102	50	1,564	1,088	476
NOV	122	73	49	1,613	968	645	126	89	37	1,600	1,158	442
DEC	105	58	47	1,627	987	640	97	69	28	1,630	1,231	399
1985												
JAN	104	64	40	1,676	1,085	591	105	66	39	1,849	1,165	684
FEBp	101	63	38	1,636	1,070	566	95	68	27	1,631	1,218	413
2 months												
1985	205	127	78				200	134	66			
1984	243	152	91				239	164	75			
1983	178	112	65				188	130	59			
1982	100	62	39				99	70	29			

VALUE OF NEW CONSTRUCTION PUT IN PLACE
(Dollars in millions)

Seasonally Adjusted Annual Rate			
Total	1 Unit	2+ Units	Nonres.
$154,272	$65,385	$26,525	$62,362
156,642	64,924	27,721	63,997
163,534	69,047	27,816	66,671
171,331	73,496	28,791	69,044
175,184	74,182	28,169	72,833
176,937	74,988	27,692	74,257
185,108	75,810	30,588	78,710
181,326	75,448	29,539	76,339
179,531	73,695	30,873	74,963
181,128	71,962	32,998	76,168
183,717	70,395	32,835	80,487
181,303	69,931	33,514	77,858
184,345	70,231	32,273	81,841
186,260	70,613	31,237	84,410
187,734	71,784	30,558	85,392
188,158	71,978	29,353	86,827

HOUSE SALES
(Units in thousands)

EXISTING HOUSES[1]	NEW HOUSES		
	Sold	Available For Sale	Months Supply at Current Rate
202	45	309	5.9
180	48	304	4.7
178	52	301	5.4
202	58	304	5.2
263	63	317	5.9
269	61	325	6.0
288	59	331	6.5
294	58	340	6.4
287	52	340	6.6
273	48	346	7.3
216	53	345	6.6
234	55	349	6.3
210	42	353	7.2
174	38	358	7.0
190	46	357	7.3
196	52	351	6.9
386	98		
380	110		
318	90		
242	53		

RESIDENTIAL STRUCTURES, BY REGION
(units in thousands)

Year and Month	PERMITS 17,000 ISSUING PLACES: Actual				PERMITS 17,000 ISSUING PLACES: Seasonally Adjusted Annual Rate				STARTS: Actual				STARTS: Seasonally Adjusted Annual Rate			
	North East	Mid-West	South	West	North East	Mid-West	South	West	North East	Mid-West	South	West	North East	Mid-West	South	West
1983																
OCT	15	20	74	33	161	195	889	405	16	23	87	33	161	201	959	375
NOV	12	16	68	29	152	191	897	409	14	18	75	30	155	217	957	419
DEC	11	9	58	30	174	182	812	434	9	9	63	25	155	208	951	390
1984																
JAN	8	9	63	33	191	277	885	518	7	9	61	32	186	293	925	529
FEB	10	12	70	37	239	282	916	532	9	11	77	33	299	345	1,099	465
MAR	15	15	76	44	195	201	819	550	11	15	77	35	174	234	851	441
APR	18	22	77	43	198	240	882	482	17	21	89	46	202	246	994	507
MAY	23	23	77	46	224	220	854	476	19	27	88	47	171	242	911	463
JUN	20	23	79	49	201	232	884	502	23	32	87	42	219	277	919	422
JUL	18	21	64	39	185	235	753	417	20	23	78	40	184	239	894	416
AUG	19	21	63	39	188	197	709	414	21	24	67	35	190	225	760	415
SEP	19	19	59	34	201	176	707	397	19	24	69	36	193	235	809	432
OCT	19	21	61	35	190	180	677	389	22	26	68	36	213	219	741	391
NOV	18	18	55	31	222	220	730	441	22	20	55	30	244	232	706	418
DEC	15	12	52	26	239	240	757	391	13	11	51	22	245	228	814	343
1985																
JAN	13	8	53	31	302	213	703	458	10	8	56	32	248	270	826	505
FEBp	11	7	50	33	264	178	681	513	7	6	50	31	259	183	737	452
2 months																
1985	24	15	103	64					17	14	106	63				
1984	18	21	133	70					16	20	138	65				
1983	14	12	109	43					12	14	121	42				
1982	7	5	66	21					7	5	68	19				

CONSTRUCTION STATUS
(units in thousands)

UNDER CONSTRUCTION			COMPLETIONS		
Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
1,025	620	405	153	110	43
1,035	616	419	125	94	31
1,003	582	421	138	102	36
995	578	417	112	76	36
1,008	586	422	109	77	32
1,022	600	422	119	82	37
1,064	632	432	127	86	41
1,098	660	438	143	95	48
1,118	672	446	156	104	52
1,132	677	455	146	102	44
1,124	669	455	151	108	43
1,123	662	461	147	105	42
1,111	659	452	159	105	54
1,101	653	448	134	95	39
1,051	620	431	150	104	46
1,032	598	434	119	84	35
1,008	587	421	121	79	42
			240	163	77
			221	153	68
			159	113	46
			134	89	45

INTEREST RATES AND YIELDS

Year and Month	1-4 UNIT MORTGAGES: FHA Opinion Survey: FHA New[2]	Conventional: New	Conventional: Existing	FHLBB Survey: Conventional: New	Conventional: Existing	APARTMENTS[3]	CONSTRUCTION LOANS[4] ALL TYPES	FNMA Mandatory Delivery Yields: ARM (5 yr. Treas.)	FNMA Mandatory Delivery Yields: Conv.	GNMA Current Securities Yield[5]	SELECTED SECURITIES: Aaa Utility[7] New Issue	U.S. Gov't. 10-yr.	U.S. Gov't. 26-wk.	Prime Commercial Paper 90-119 Days	SPREADS (Basis Points): FHA New Minus Aaa Utility	GNMA minus 10-yr. Gov't.
1983																
NOV	13.23%	13.48%	13.49%	12.34%	12.58%	14.15%	12.94%	12.787%	13.012%	12.62%	12.64%	11.69%	8.93%	9.10%	59	93
DEC	13.25	13.42	13.42	12.42	12.39	13.95		12.870	13.050	12.65	12.62	11.83	9.17	9.53	63	82
1984																
JAN	13.08	13.28	13.27	12.29	12.16	13.74		12.788	12.800	12.46	12.99	11.67	9.02	9.20	9	79
FEB	13.20	13.31	13.32	12.23	12.19	13.98	13.34	12.863	12.938	12.48	13.05	11.84	9.18	9.32	15	64
MAR	13.68	13.57	13.58	12.02	12.17	14.29		13.325	13.375	12.88	13.63	12.32	9.66	9.83	5	56
APR	13.80	13.77	13.79	12.04	12.07	14.58		13.625	13.638	13.16	13.96	12.63	9.84	10.18	(16)	53
MAY	15.01	14.38	14.40	12.18	12.10	15.32	13.76	14.200	14.400	13.85	14.79	13.41	10.31	10.65	22	44
JUN	14.91	14.65	14.67	12.10	12.26	15.70		14.810	14.770	14.22	15.00	13.56	10.51	10.98	(9)	66
JUL	14.58	14.53	14.54	12.50	12.53	15.53		14.810	14.450	14.01	14.93	13.36	10.53	11.19	(35)	65
AUG	14.21	14.24	14.25	12.43	12.75	15.24	14.56	14.050	13.910	13.52	14.12	12.72	10.61	11.18	9	80
SEP	13.99	13.98	14.00	12.53	12.91	15.07		13.913	13.738	13.30	13.86	12.52	10.47	11.04	13	78
OCT	13.43	13.59	13.61	12.77	13.00	14.42		13.588	13.363	13.08	13.52	12.16	9.87	10.12	(9)	92
NOV	12.90	13.20	13.21	12.75	12.89	13.86		12.770	12.710	12.59	12.98	11.57	8.81	9.03	(8)	102
DEC	12.99	13.05	13.05	12.55	12.77	13.98		12.500	12.688	12.39	12.88	11.50	8.28	8.44	11	89
1985																
JAN	13.01	12.88	12.88	12.27	12.61	13.72		12.400	12.650	12.35	12.78	11.38	8.00	8.03	23	97
FEB	13.27	13.06	13.06	12.21	12.39	14.54		12.238	12.675	12.42	n.a.	11.51	8.39	8.54	n.a.	91

LONG-TERM MORTGAGE LOANS CLOSED
(Dollars in Millions)

Year and Month	BY TYPE OF INSTITUTION					BY TYPE OF UNIT, AND INSTITUTION														
						1-4 Units					5+ Units					Nonresidential				
	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.
1983																				
MAY	$22,111	$5,590	$ 8,348	$ 7,354	$ 819	$15,670	$4,740	$ 6,903	$3,970	$ 57	$1,397	$300	$ 549	$490	$ 58	$5,044	$550	$ 896	$2,894	$ 704
JUN	29,937	7,120	10,936	10,355	1,526	20,993	5,950	8,683	6,268	92	2,622	910	916	646	150	6,322	260	1,337	3,441	1,284
JUL	25,067	5,810	10,275	7,987	995	19,147	5,450	8,297	5,336	64	1,177	30	759	317	71	4,743	330	1,219	2,334	860
AUG	30,175	5,730	11,291	11,275	1,879	21,514	5,000	9,197	7,260	57	1,699	220	740	497	242	6,962	510	1,354	3,518	1,580
SEP	25,035	4,470	10,331	8,819	1,415	17,216	3,660	8,127	5,380	49	1,548	220	774	418	136	6,271	590	1,430	3,021	1,230
OCT	21,917	4,300	8,586	7,803	1,228	15,277	3,630	6,823	4,777	47	1,486	170	759	395	162	5,154	500	1,004	2,631	1,019
NOV	21,342	5,340	8,202	6,443	1,357	14,868	4,690	6,317	3,811	50	1,661	100	783	559	219	4,813	550	1,102	2,073	1,088
DEC	26,120	4,970	10,553	7,459	3,138	16,105	4,860	7,441	3,702	102	2,230	110	996	825	299	8,355	570	2,116	2,932	2,737
1984																				
JAN	21,138	4,870	7,818	7,695	755	14,144	4,190	5,839	4,067	48	1,903	320	938	598	47	5,091	360	1,041	3,030	660
FEB	20,182	4,310	7,721	7,184	967	12,916	3,350	5,724	3,800	42	1,850	570	739	393	148	5,416	390	1,258	2,991	777
MAR	24,030	4,690	10,158	8,087	1,095	15,643	3,770	7,414	4,374	85	2,132	370	1,052	617	93	6,255	550	1,692	3,096	917
APR	22,959	5,870	11,261	7,317	1,511	18,027	4,940	8,507	4,508	72	1,986	410	1,100	290	186	5,946	520	1,654	2,519	1,253
MAY	28,632	5,230	13,393	8,768	1,241	20,282	4,480	10,454	5,244	104	1,971	140	1,255	481	95	6,379	610	1,684	3,043	1,042
JUN	30,866	5,490	14,485	8,896	1,995	21,438	4,680	11,054	5,652	52	1,987	20	1,343	482	142	7,441	790	2,088	2,762	1,801
JUL	25,206	3,760	12,979	7,297	1,170	18,019	3,330	10,213	4,404	72	1,592	0	963	553	76	5,595	430	1,803	2,340	1,022
AUG	25,563	3,570	12,532	7,735	1,726	17,035	3,070	9,546	4,355	64	1,567	0	1,221	322	24	6,961	500	1,765	3,058	1,638
SEP	20,283	3,050	9,654	6,701	878	13,213	2,400	6,889	3,867	57	1,483	70	1,083	306	24	5,587	580	1,682	2,528	797
OCT	22,290	3,700	9,643	8,021	926	14,998	3,110	7,188	4,594	106	1,260	0	880	292	88	6,032	590	1,575	3,135	732
NOV	20,839	3,370	9,219	7,095	1,155	13,390	3,090	6,445	3,811	44	1,596	0	1,098	387	111	5,853	280	1,676	2,897	1,000

LONG-TERM COMMITMENT ACTIVITY
(Dollars in Millions)

Year and Month	OUTSTANDING					ISSUED DURING MONTH				
	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.
1983										
JUL	$ 78,741	$17,090	$36,852	$12,651	$12,148	26,571	$6,840	$14,092	$3,475	$2,164
AUG	79,490	14,990	38,590	13,770	12,140	24,126	6,160	12,668	3,653	1,645
SEP	77,774	13,750	38,562	13,495	11,967	20,364	4,620	10,895	3,454	1,395
OCT	89,570	25,840	38,417	13,721	11,592	19,614	6,130	9,484	2,940	1,060
NOV	85,851	15,990	39,969	17,943	11,949	22,804	7,610	10,182	3,447	1,565
DEC	90,532	22,650	40,410	17,075	10,397	20,760	6,310	10,016	3,119	1,315
1984										
JAN	80,916	15,170	40,781	14,253	10,712	18,183	4,660	9,173	3,010	1,340
FEB	86,522	15,890	42,792	16,441	11,399	19,446	3,980	10,477	3,376	1,613
MAR	88,200	13,410	45,801	16,257	12,732	25,239	5,290	12,954	4,432	2,563
APR	100,399	16,870	51,965	17,702	13,862	26,033	4,700	14,433	4,555	2,345
MAY	103,392	15,950	54,478	18,579	14,385	27,888	4,950	15,997	5,096	1,845
JUN	99,830	12,280	54,698	19,122	13,730	24,649	3,810	14,559	4,736	1,544
JUL	98,039	11,480	54,102	19,227	13,230	22,723	4,060	13,424	4,108	1,131
AUG	92,436	7,970	52,800	18,655	13,011	19,641	2,920	12,316	3,530	875
SEP	90,837	8,150	51,666	17,591	13,430	17,127	2,910	9,852	2,870	1,495
OCT	89,826	8,370	50,624	16,996	13,836	19,151p	3,910	10,578	3,169	1,494
NOV	92,434	8,190	51,651	19,389	15,204	20,760	3,430	11,549	3,247	2,534
DEC	n.a.	8,700p	n.a.	n.a.	n.a.	n.a.	5,480p	n.a.	n.a.	n.a
1985										
JAN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FEB	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

MORTGAGE INSURANCE
(Units in Thousands, Dollars in Millions)

Year and Month	APPLICATIONS RECEIVED UNITS			INSURED							
	FHA/ VA		Private	Total Units	Total Amt.	FHA (203) Units	FHA (203) Amt.	VA Units	VA Amt.	Private Units	Private Amt.
1983											
JUL	182	102	80	115	$6,863	38	$1,854	20	$1,224	57	$3,785
AUG	205	106	99	139	8,665	31	1,641	35	2,193	73	4,831
SEP	152	66	86	161	9,702	56	2,922	33	2,092	72	4,688
OCT	141	58	83	125	7,752	26	1,362	30	1,934	69	4,456
NOV	131	51	80	131	7,980	34	1,772	25	1,598	72	4,610
DEC	136	46	90	118	7,594	20	1,046	22	1,448	76	5,092
1984											
JAN	121	45	76	109	7,017	14	753	24	1,544	71	4,720
FEB	123	44	79	101	6,467	20	1,093	22	1,449	59	3,925
MAR	159	49	110	124	7,715	35	1,807	19	1,202	70	4,706
APR	167	48	119	110	7,103	16	882	17	1,114	77	5,107
MAY	174	45	129	126	8,051	17	924	17	1,081	92	5,965
JUN	159	35	124	138	9,064	20	1,076	16	1,060	102	6,928
JUL	148	32	116	135	8,872	16	834	18	1,131	101	6,907
AUG	136	30	106	129	8,435	17	904	16	998	96	6,533
SEP	116	28	88	100	6,543	14	733	12	775	74	5,035
OCT	136	38	98	106	6,866	12	614	14	861	80	5,391
NOV	118	36	82	85	5,363	9	440	11	668	65	4,255
DEC	110	37	78	83	5,363	10	583	13	847	60	3,933
1985											
JAN	109	37	70	93	5,973	20	1,125	11	723	62	4,125
FEB	n.a.	40	n.a.	n.a.	n.a.	10	579	13	867	n.a.	n.a.

SECONDARY MARKET ACTIVITY
(Dollars in Millions)

Year and Month	FNMA				FHLMC				GNMA	
	Portfolio		Mortgage Backed Securities						Pass-Through Securities	
	Comm.	Purc.	Out-standing	Issued	Comm. to Sell	Comm. to Buy	Mtg. Purc.	Sold	Applications	Issued
1983										
JUL	$1,198	$1,358	$22,313	$1,651	$4,621	$4,671	$1,523	$1,491	$5,468	$4,363
AUG	1,282	1,213	23,078	1,052	5,592	6,367	1,621	1,585	7,976	5,943
SEP	2,739	1,203	23,819	1,018	3,183	3,283	2,263	1,555	6,749	4,200
OCT	1,882	1,244	24,311	750	2,382	2,598	2,886	2,758	3,891	3,808
NOV	997	1,348	24,475	381	1,596	2,093	1,287	1,139	4,201	3,857
DEC	1,471	2,204	25,121	841	1,261	1,704	1,685	1,121	4,046	2,543
1984										
JAN	1,772	1,285	25,182	251	1,293	1,470	1,419	978	2,500	2,718
FEB	1,930	1,507	26,125	1,126	1,127	1,385	1,389	1,338	4,422	3,030
MAR	1,626	2,030	28,354	2,405	1,704	1,873	1,290	868	3,083	2,488
APR	1,561	1,775	28,661	502	1,577	1,701	983	723	2,261	1,981
MAY	1,233	1,379	28,962	552	1,826	1,966	987	832	3,596	2,779
JUN	1,995	1,209	29,256	580	3,038	2,712	2,204	1,845	3,142	2,268
JUL	1,976	1,226	30,485	1,533	3,835	3,929	1,288	1,579	3,252	2,325
AUG	1,227	820	32,054	1,862	3,003	3,130	1,821	1,579	2,385	2,373
SEP	1,142	1,145	32,888	1,092	3,350	3,440	1,262	1,139	2,885	1,921
OCT	1,638	1,087	33,784	1,111	2,453	2,663	2,864	2,668	2,360	2,473
NOV	2,150	1,297	34,821	1,240	3,865	4,158	2,241	1,996	2,922	1,432
DEC	2,758	1,962	36,215	1,292	3,909	4,124	4,137	3,818	3,292	2,071
1985										
JAN	1,300	1,943	36,915	913	4,142	4,264	2,197	1,984	4,573	2,654
FEB	1,895	1,559	38,508	1,820	3,431	3,622	3,247	2,425	4,182	2,700

MORTGAGE BANKERS CONSTRUCTION AND LAND LOAN ACTIVITY
(Dollars in Millions)

Year and Month	DISBURSEMENTS DURING MONTH					CONSTRUCTION LOANS CLOSED			
	Construction				Land Loans				
	Total	1-4 Units	5+ Units	Non-res.		Total	1-4 Units	5+ Units	Non-res.
1983									
JUL	$120	$ 60	$10	$ 50	$ 40	$180	$ 80	$ 30	$ 70
AUG	110	70	10	30	80	200	120	20	60
SEP	160	70	20	60	50	440	100	60	280
OCT	130	60	20	50	90	350	90	140	120
NOV	140	70	10	60	90	390	150	120	120
DEC	570	180	50	340	250	560	130	190	240
1984									
JAN	180	70	20	90	140	460	130	100	230
FEB	150	70	10	70	90	280	80	90	110
MAR	190	80	30	80	220	350	120	80	150
APR	200	90	30	80	100	620	140	360	120
MAY	180	80	10	10	160	420	190	130	100
JUN	380	120	10	250	360	760	120	180	460
JUL	280	70	10	200	180	790	130	210	450
AUG	100	60	0	40	90	410	110	130	170
SEP	100	50	10	40	120	440	100	160	180
OCT	90	40	10	40	130	400	210	100	90
NOV	170	110	20	40	240	210	140	50	20
DEC	430p	220p	30p	180	470p	470p	270p	120p	80p
1985									
JAN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FEB	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a.—Not available; p—Preliminary

[1]From the National Association of Realtors' "Existing Home Sales" series.

[2]Secondary market gross yields.

[3]Federal Home Loan Mortgage Corp. Existing construction only.

[4]Federal Reserve's weighted average interest rate for Commercial Banks.

[5]Securities for 30 day delivery.

[6]Mutual Savings Banks and Commercial Banks.

[7]As of January 1984 this rate is for A-rated recently offered utility bonds.

Sources: American Council of Life Insurance, Board of Governors of the Federal Reserve System, Bureau of the Census, Citicorp Real Estate Inc., Department of Housing and Urban Development, Federal Home Loan Bank Board, Federal Home Loan Mortgage Corporation, Fedetal National Mortgage Association, Government National Mortgage Association, Mortgage Bankers Association of America, National Association of Mutual Savings Banks, National Association of Realtors, Telerate Financial Information Network, Veterans Administration.

MORTGAGE BANKING ACTIVITY

LONG-TERM MORTGAGE LOANS CLOSED[1]

Year and Month	SEASONALLY ADJUSTED				NOT SEASONALLY ADJUSTED							
					1-4 Units				5+ Units			
	Total[2]	1-4 Units	5+ Units	Non-res.[3]	Total	Total	FHA	VA	Conv.	Total	FHA	Conv.	Non-res.[3]
1983													
JAN	$5,300	$4,640	$ 340	$ 240	$ 4,710	$ 3,880	$ 1,720	$ 940	$ 1,220	$ 650	$ 30	$ 620	$ 180
FEB	5,590	5,350	220	360	4,450	3,980	1,640	970	1,370	170	0	170	300
MAR	5,910	5,170	90	620	5,910	5,050	2,180	1,350	1,520	70	40	30	790
APR	6,270	5,030	1,080	380	6,080	4,790	1,890	1,130	1,770	890	0	890	400
MAY	5,500	4,790	290	440	5,590	4,740	2,030	1,150	1,560	300	10	290	550
JUN	6,110	4,970	680	320	7,120	5,950	2,150	1,310	2,490	910	600	310	260
JUL	5,400	4,740	60	370	5,810	5,450	2,110	1,280	2,060	30	10	20	330
AUG	5,110	4,260	380	590	5,730	5,000	1,760	1,170	2,070	220	30	190	510
SEP	4,750	3,710	370	710	4,470	3,660	1,260	830	1,570	220	60	160	590
OCT	4,190	3,410	110	630	4,300	3,630	1,130	750	1,750	170	0	170	500
NOV	6,160	5,480	130	540	5,340	4,690	1,330	840	2,520	100	30	70	550
DEC	5,150	4,590	90	410	5,540	4,860	1,420	850	2,590	110	0	110	570
1984													
JAN	5,520	5,140	170	460	4,870	4,190	1,140	750	2,300	320	10	310	360
FEB	5,210	4,340	660	460	4,310	3,350	1,030	770	1,550	570	30	540	390
MAR	4,680	3,810	520	440	4,690	3,770	810	560	2,400	370	10	360	550
APR	6,140	5,330	490	490	5,870	4,940	1,070	740	3,130	410	0	410	520
MAY	5,060	4,410	130	460	5,240	4,480	960	690	2,830	140	0	140	610
JUN	4,650	3,860	20	1,020	5,490	4,670	1,050	700	2,930	20	0	20	790
JUL	3,530	2,960	0	460	3,760	3,330	800	530	2,000	0	0	0	430
AUG	3,120	2,600	0	510	3,570	3,070	520	380	2,170	0	0	0	500
SEP	3,380	2,500	120	780	3,050	2,400	550	380	1,470	70	70	0	580
OCT	3,600	2,920	0	750	3,700	3,110	820	470	1,820	0	0	0	590
NOV	3,890	3,610	0	280	3,370	3,090	820	470	1,800	0	0	0	280
DECp	4,880	3,860	70	770	5,250	4,090	1,280	690	2,120	80	0	80	1,080
Year to Date[5]													
1984					$53,170	$44,500	$10,850	$ 7,130	$26,520	$1,980	$120	$1,860	$6,680
1983					65,050	55,680	20,620	12,570	22,490	3,840	810	3,030	5,530
1982					29,250	24,440	8,510	5,160	10,770	1,580	640	940	3,230
1981					33,470	25,830	8,380	6,200	11,250	1,740	770	970	5,910

COMMITMENT ACTIVITY: LONG-TERM MORTGAGE LOANS[1]

Year and Month	COMMITMENTS DURING MONTH								OUTSTANDING COMMITMENTS END OF MONTH					
	To Borrowers				From Investors				To Borrowers			From Investors		
	Total	1-4 Units	5+ Units	Non-res.[3]	Total	1-4 Units	5+ Units	Non-res.[3]	1-4 Units	5+ Units	Non-res.[3]	1-4 Units	5+ Units	Non-res.[3]
1983														
JAN	$ 7,010	$ 5,550	$ 880	$ 580	$ 5,140	$ 4,250	$ 80	$ 810	$14,370	$ 1,240	$ 910	$ 8,920	$ 1,380	$1,140
FEB	6,460	5,850	290	320	6,160	4,690	630	840	15,840	1,960	1,040	8,260	2,260	1,420
MAR	7,660	6,060	1,390	210	9,130	6,560	1,830	740	15,450	2,190	860	9,750	2,480	1,160
APR	7,460	6,080	460	920	8,300	6,880	260	1,160	16,140	2,240	1,170	11,480	2,440	1,430
MAY	7,470	7,030	0	440	6,080	5,310	190	580	16,350	540	850	9,970	1,590	1,110
JUN	7,330	7,210	0	120	7,760	7,030	310	420	18,300	530	730	12,230	1,590	1,010
JUL	6,840	6,170	0	670	7,060	6,280	160	620	15,890	520	680	11,760	680	870
AUG	6,160	5,450	0	710	6,950	5,920	20	1,010	13,640	460	890	10,820	570	1,050
SEP	4,620	4,510	0	110	5,880	4,350	870	660	12,560	410	780	8,610	1,260	790
OCT	6,130	4,900	240	990	6,280	5,810	200	270	12,870	12,030	940	9,910	13,830	940
NOV	7,610	4,870	800	1,940	5,910	4,010	940	960	13,420	1,440	1,130	10,340	2,390	1,030
DEC	6,320	4,060	250	2,010	4,800	3,150	280	1,370	11,600	10,120	930	7,660	11,950	1,060
1984														
JAN	4,660	4,020	10	630	3,690	2,930	170	590	11,420	2,990	760	8,140	4,670	810
FEB	3,980	3,340	0	640	7,230	4,620	1,830	780	11,830	3,200	860	9,560	5,370	810
MAR	5,290	4,080	0	1,210	4,590	3,530	90	970	12,680	0	730	8,950	1,710	730
APR	4,700	4,300	0	400	5,140	4,540	80	520	13,920	1,970	980	11,200	2,160	980
MAY	4,950	4,070	0	880	4,620	3,530	530	560	13,240	1,510	1,200	9,630	3,310	1,120
JUN	3,810	3,250	40	520	5,970	4,550	70	1,350	11,550	170	560	9,420	350	1,770
JUL	4,060	2,940	0	1,120	4,050	3,580	20	450	10,840	70	570	9,870	250	1,570
AUG	2,920	2,630	0	290	4,220	3,380	10	830	7,430	40	500	7,730	210	1,600
SEP	2,910	2,640	30	240	2,760	2,400	80	280	7,350	300	500	7,460	480	800
OCT	3,910	3,240	0	670	4,550	4,090	30	430	7,660	170	540	8,400	370	740
NOV	3,430	2,820	0	610	3,880	2,760	170	950	7,460	40	690	6,940	270	1,050
DECp	5,480	4,090	430	960	4,850	3,910	80	860	7,850	100	750	7,810	260	1,170
Year to Date[5]														
1984	$50,100	$41,420	$ 510	$8,170	$55,550	$43,820	$3,160	$ 8,570						
1983	81,070	67,740	4,310	9,020	79,450	64,240	5,770	9,440						
1982	47,800	36,760	3,330	7,710	46,740	34,380	3,960	8,400						
1981	36,700	30,170	1,200	5,330	44,700	30,410	1,740	12,550						

Notes: [1]All dollar amounts are in millions.
[2]Total is seasonally adjusted separately from components. Total, therefore, may not equal sum of parts.
[3]Series labeled non-residential are also inclusive of farm data.
[4]Percent coverage equals outstanding commitments recieved from investors divided by the sum of outstanding end of month inventory and outstanding commitments issued to borrowers, all multiplied by 100.
[5]Year-to-date seasonally adjusted series not calculated.

OUTSTANDING END OF MONTH INVENTORY[1] — COVERAGE[4] — SERVICING VOLUME[1]

Year and Month	Total	1-4 Units				5+ Units			Non-res.[3]	1-4 Units	5+ Units	Non-res.[3]	1-4 Units	5+ Units	Non-res.[3]
		Total	FHA	VA	Conv.	Total	FHA	Conv.							
1983															
JAN	$11,220	$6,450	$2,180	$1,440	$2,830	$3,600	$470	$3,130	$1,170	43%	29%	55%	$245,140	$42,090	$41,960
FEB	12,000	7,030	2,220	1,500	3,310	3,570	470	3,100	1,400	36	41	58	248,980	41,980	42,230
MAR	11,960	7,250	2,410	1,640	3,200	3,490	480	3,010	1,220	43	44	56	248,630	41,300	44,850
APR	12,080	7,170	2,340	1,700	3,130	2,760	10	2,750	1,000	49	49	66	262,050	43,670	43,790
MAY	11,200	6,930	2,510	1,700	2,720	3,470	10	3,460	800	43	40	64	267,170	44,300	41,940
JUN	12,920	8,260	2,780	1,850	3,630	3,480	10	3,470	850	46	40	64	294,020	51,230	45,180
JUL	11,960	7,760	2,490	1,710	3,560	3,410	0	3,410	790	50	17	60	305,860	43,090	42,620
AUG	11,480	7,190	2,170	1,600	3,420	3,400	0	3,400	890	52	15	59	289,220	41,800	39,150
SEP	10,870	6,530	1,870	1,460	3,200	3,440	10	3,430	900	45	33	47	264,720	44,760	33,870
OCT	11,060	6,590	1,780	1,460	3,350	3,550	210	3,340	920	51	89	51	274,860	44,100	38,970
NOV	11,450	6,990	1,800	1,380	3,810	3,240	0	3,240	1,220	51	51	44	292,100	48,620	40,400
DEC	10,860	6,050	1,570	1,250	3,230	3,500	550	2,950	1,310	43	88	48	259,530	46,690	39,600
1984															
JAN	14,720	6,420	1,390	1,150	3,880	7,400	10	7,390	900	46	45	49	283,720	51,610	36,130
FEB	14,320	5,920	1,380	1,140	3,400	7,450	10	7,440	950	54	50	45	275,010	48,960	41,550
MAR	14,860	6,320	1,350	1,170	3,800	7,510	0	7,510	1,030	47	23	41	281,010	56,610	44,380
APR	16,250	7,500	1,540	1,320	4,640	7,720	0	7,720	1,030	52	22	49	323,690	48,730	42,310
MAY	15,500	6,910	1,390	1,030	4,490	7,390	0	7,390	1,200	48	37	47	332,570	59,010	46,280
JUN	10,270	8,320	1,840	1,450	5,030	780	0	780	1,170	47	37	102	313,650	56,750	38,670
JUL	8,870	6,990	1,480	1,090	4,420	730	0	730	1,150	55	31	91	317,600	63,980	39,840
AUG	7,070	5,520	1,060	740	3,720	640	0	640	910	60	31	113	282,400	42,060	39,110
SEP	7,390	5,490	1,010	680	3,800	640	0	640	1,260	58	51	45	302,840	39,300	38,930
OCT	8,060	6,350	1,190	870	4,290	600	0	600	1,110	60	48	45	339,960	40,660	37,160
NOV	8,010	6,280	1,190	850	4,240	590	0	590	1,140	51	43	57	350,580	39,790	32,120
DECp	6,840	6,090	1,500	980	3,610	170	0	170	580	56	96	88	321,620	33,110	30,540

CONSTRUCTION AND LAND LOAN ACTIVITY[1]

Year and Month	DISBURSEMENTS DURING MONTH					CONSTRUCTION LOANS CLOSED				END OF MONTH INVENTORY				
	Total	1-4 Units	5+ Units	Non-res.[3]	Land Loans	Total	1-4 Units	5+ Units	Non-res.[3]	Total	1-4 Units	5+ Units	Non-res.[3]	Land Loans
1983														
JAN	$100	$ 50	$20	$ 30	$ 60	$280	$120	$ 30	$130	$2,810	$ 750	$ 650	$1,410	$ 580
FEB	150	60	30	60	60	280	110	60	110	3,160	890	620	1,650	630
MAR	170	80	20	70	50	540	180	190	170	3,090	930	580	1,580	610
APR	130	50	10	70	60	290	150	610	80	2,030	610	330	1,090	680
MAY	320	160	40	120	160	470	130	80	260	7,290	2,080	1,140	4,070	1,600
JUN	430	170	60	200	120	500	130	90	280	7,400	2,120	1,080	4,200	1,580
JUL	120	60	10	50	40	180	80	30	70	2,580	810	380	1,390	660
AUG	110	70	10	30	80	200	120	20	60	2,410	760	340	1,310	650
SEP	160	70	20	70	50	440	100	60	280	3,120	950	430	1,740	650
OCT	130	60	20	50	90	350	90	140	120	3,220	990	430	1,800	750
NOV	140	70	10	60	90	390	150	120	120	3,160	1,010	350	1,800	750
DEC	570	180	50	340	250	560	130	190	240	8,490	2,710	940	4,840	1,550
1984														
JAN	180	70	20	90	140	460	130	100	230	3,490	1,050	430	2,010	650
FEB	150	70	10	70	90	280	80	90	110	3,280	880	370	2,030	630
MAR	190	80	30	80	220	350	120	80	150	3,360	990	380	1,990	840
APR	200	90	30	80	100	620	140	360	120	3,220	1,040	460	1,720	860
MAY	180	80	10	90	160	420	190	130	100	3,220	1,060	380	1,780	930
JUN	380	120	10	250	360	760	120	180	460	4,710	1,610	540	2,560	1,250
JUL	280	70	10	200	180	790	130	210	450	2,760	900	240	1,620	1,120
AUG	100	60	0	40	90	410	110	130	170	2,200	790	190	1,220	830
SEP	100	50	10	40	120	440	100	160	180	2,150	790	180	1,180	800
OCT	90	40	10	40	130	400	210	100	90	2,180	780	220	1,180	870
NOV	170	110	20	40	240	210	140	50	20	3,520	1,380	410	1,730	2,260
DECp	430	220	30	180	470	470	270	120	80	9,240	3,790	790	4,660	3,440

COMMITMENTS TO BORROWERS: LAND AND CONSTRUCTION LOANS[1] — NOTES PAYABLE[1]

Year and Month	Issued During Month				End of Month Balances				End of Month Balances			
	Total	1-4 Units	5+ Units	Non-Res.[3]	Total	1-4 Units	5+ Units	Non-Res.[3]	Total	Comm. Paper	To Parent	To Others
1983												
JAN	$1,730	$100	$1,420	$ 210	$ 7,170	$ 660	$ 3,990	$2,520	$19,270	$3,320	$10,271	$ 5,680
FEB	1,020	130	420	470	8,830	810	4,570	3,450	20,070	3,530	8,370	8,170
MAR	2,840	240	2,260	340	9,400	1,010	5,810	2,580	20,640	3,960	9,510	7,170
APR	1,350	140	500	710	8,400	980	4,900	2,520	20,120	3,330	10,200	6,590
MAY	1,070	120	610	290	6,280	650	3,900	1,730	20,640	3,780	10,460	11,400
JUN	1,410	160	550	700	6,780	970	3,710	2,100	36,620	4,490	10,570	21,560
JUL	1,970	120	1,780	70	7,160	910	4,660	1,590	36,150	4,410	14,100	17,640
AUG	900	180	100	620	5,620	940	2,480	2,200	35,370	8,920	10,920	15,530
SEP	1,100	100	690	310	5,210	870	2,190	2,150	41,300	3,110	9,820	28,370
OCT	1,650	130	990	530	22,340	1,080	18,890	2,370	30,150	2,760	8,870	18,520
NOV	1,770	120	900	750	8,520	1,270	3,960	3,290	32,200	3,690	10,520	17,990
DEC	3,460	110	2,310	1,040	19,710	1,030	15,450	3,230	29,590	2,770	7,140	19,680
1984												
JAN	1,080	80	400	600	10,900	800	7,440	2,660	31,180	3,900	9,810	17,470
FEB	1,300	90	530	680	9,500	750	5,650	3,100	23,480	3,710	8,530	11,240
MAR	2,840	150	2,240	450	5,710	610	2,070	3,030	42,850	5,060	9,130	28,660
APR	3,940	120	3,260	560	10,080	960	5,780	3,340	27,280	3,190	15,280	8,810
MAY	3,530	170	2,770	590	11,480	1,030	6,750	3,700	35,190	4,690	21,880	8,620
JUN	1,170	150	60	960	5,140	1,040	1,010	3,090	31,530	4,910	12,610	14,040
JUL	1,730	130	60	1,540	4,090	870	470	2,750	41,960	6,190	12,710	23,060
AUG	770	190	80	500	3,680	850	460	2,370	47,940	5,750	13,220	28,970
SEP	760	100	80	580	4,170	760	580	2,830	59,220	4,520	14,240	40,460
OCT	710	150	160	400	3,820	860	590	2,370	57,230	4,830	17,070	35,330
NOV	380	140	70	170	3,230	680	430	2,120	54,180	4,820	19,180	30,180
DECp	790	200	10	580	3,910	930	280	2,700	42,280	8,390	23,680	10,210